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Prentiss, Perry

Money and prices as affecting the producer...

Cleveland

[1896?]

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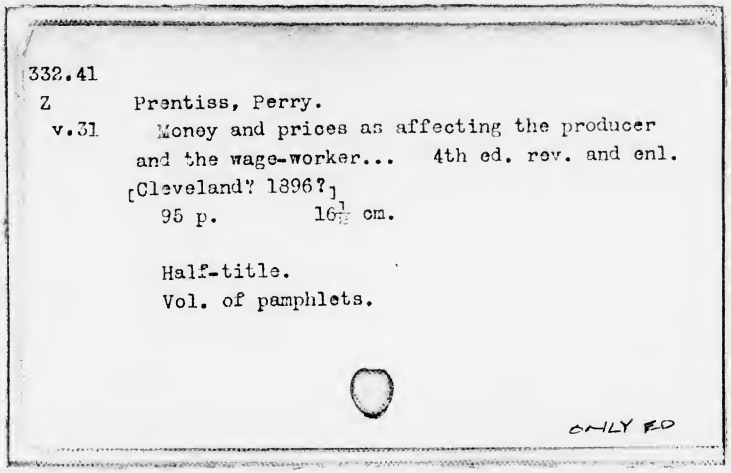

332.41
Z Prentiss, Perry.
v.31 Money and prices as affecting the producer and the wage-worker... 4th ed. rev. and enl.
[Cleveland? 1896?]
95 p. 16½ cm.

Half-title.
Vol. of pamphlets.

ONLY ED

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TECHNICAL MICROFORM DATA

FILM SIZE: 35 MM REDUCTION RATIO: 9:1 IMAGE PLACEMENT: IA (IIA) IB IIB

DATE FILMED: 3/27/98 INITIALS: F.C.

TRACKING # : 31566

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

BIBLIOGRAPHIC IRREGULARITIES

MAIN ENTRY: Prentiss, Perry

Money and prices as affecting the producer and the wage-worker

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P22.1
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12TH EDITION, REVISED AND ENLARGED.

MONEY AND PRICES

AS AFFECTING

The Producer

...AND...

The Wage-worker.

FREE COINAGE OF GOLD AND SILVER.

HENRY CLAY (Speech.)

The Rights of Man

...AND...

The Rights of Money.

A PAMPHLET

BY

PERRY PRENTISS,

Of the Cleveland Bar.

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MONEY AND PRICES

AS AFFECTING

THE PRODUCER

. . AND . .

THE WAGE-WORKER.

"There is no instrument ever made by human hands, or conceived by human brain, that in its effect on the happiness and progress of mankind, is for a moment to be compared with money; MONEY, in quantity sufficient to enable all men to be uninterruptedly employed in the labor of their aptitudes, and to enable all exchanges of the products of their labor to be equitably effected."

"The entire question involved in monetary discussion, is the question of THE RANGE OF GENERAL PRICES."

JNO. P. JONES.

EVERY BOND, GREENBACK AND TREASURY NOTE NOW OUTSTANDING, IS BY LAW AS WELL AS IN EQUITY, PAYABLE OR REDEEMABLE IN EITHER GOLD COIN, OR IN SILVER COIN, AT THE OPTION OF THE GOVERNMENT.

A PAMPHLET

BY

PERRY PRENTISS,
CLEVELAND, OHIO.

CONTENTS.

THE REFERENCES ARE TO PARAGRAPHS.

1 Political Economy.
2 Silver and Gold, Our Standard: Dan'l Webster.
5 Money; 3 Primary; 4 Secondary.
6 Best Money; 7 Worst Money.
8 Prices—Your Mortgage.
9 Value—What It Is.
10 Value, Intrinsic?
11 Value Change, Cause of.
12 Volume of Money, Demand and Supply.
13 Money to Loan, Is Not Money For Sale.
Large Surplus In Banks.
Is There Too Much Money?
14 Business is Sick; Dr. Carlisle; Dr. Warner.
15 Cheap Money; Dear Money.
The Interest Rate (Jones).
16 Borrowing Money; Buying Money.
17 No Banks of Issue.
18 The Tariff; Falling Prices—A. J. Warner.
19 Overproduction?—A. Allard.
20 Hay-Seed vs. Cotton-Seed.
21 Demand For Money—Prices.
22 How Much Money is Needed?
The General Price Range Indicates.
23 Stability of Money and of Prices.
24 Civilization.
A Day's Work.
25 Results of Contraction,
26 Tenant Farming—Increase Of.
27 Henry Clay—Speech.
28 Gold Demonetized—1857.
29 Silver Demonetized—1873.
30 All Bonds "Payable in Coin."
31 Gold Standard—J. Sherman.
32 Stanley Mathews' Resolutions—1878.
33 Bland—Allison Act—1878.
34 Specie Payment—Resumption—1879.

35 Sale of Bonds For "Coin."
36 Gold Reserve—By Secretary Sherman.
37 Free Coinage of Silver.
38 A Dollar's Worth of Silver.
An Honest Dollar?
39 Danger of a Dump?
40 Sherman on Dumps.
41 Wild Inflation?
42 The Future of Silver,
By Prof. Eduard Suess, of Vienna.
43 The Sherman Law—1890.
44 Two Metals on a Parity.
45 The Repeal Bill.
46 Obey the Law!!
47 Condition of the Treasury—1893.
48 "Want of Cofidence."
49 Scarcity of Money—Cause,
50 Hard Times and Distress.
51 "A Condition Confronts Us."
52 Bank Credits—Panics—A. J. Warner.
53 Gold Has Risen.
54 Prices Have Fallen—Same Thing.
55 Remedy—More Money—Bimetallism.
56 President Cleveland—Tariff vs. Money.
57 Annual Message.
58 Commission of Fifteen Experts—Object Of.
59 Free Coinage.
Can We Go It Alone?
The Royal Commission.
See Appendix (p. 89) for Table of Prices—1872 to 1893.

ADDENDUM.

61 The General Price Range—Stable Money—Falling Prices is Rising Money.
62 The Rights of Man and the Rights of Money.

FOURTH EDITION: REVISED AND ENLARGED.

Since the last edition of this pamphlet the bill for the coinage of the silver seigniorage, (about $55,000,000) has been passed and vetoed, and the McKinley Tariff Law repealed, succeeded by the Wilson Bill, (August 28, 1894.) Bonds to the amount of $262,315,400 have been issued and disposed of, and the available cash balance in the Treasury (September 1,) including the gold reserve, was $243,346,400. Nominee McKinley stands for the single *gold standard; more bonds and banks of issue.*

Mr. Bryan stands for the double standard of *silver and gold at* 16 *to* 1*; no bonds, and no banks of issue.*

Grover Cleveland and John Sherman joined hands for the repeal of the Sherman Law, and they are now in league with free traders and protectionists, with the Hannaites and syndicates, and say, "the gold standard must be preserved" by the election of McKinley.

The issue is momenteous. All true Americans who believe in the teachings of Jefferson and Lincoln, should stand together to down the Tories, Hessians and Shylocks, and secure FINANCIAL INDEPENDENCE for this REPUBLIC.

POLITICAL ECONOMY

1. Is the science that treats of the law of exchanges—of buying and selling—of trade and commerce.

Before the invention of money, exchanges of property were made by direct exchange of the things themselves; such an exchange is called *barter.*

Then, from time to time, various kinds of property came to be used as a medium of exchange, such as oxen, the skins of animals, beads, tobacco, etc.

In the progress of civilization and before the christian era, silver first, and then gold came to be generally recognized as the best metal for money purposes, and for centuries throughout the civilized world and through all the history of this country down to 1873, gold and silver were held to be alike, money metals, to which everybody could have recourse, without restriction, for money supply and for every money purpose. Both together constituted the money standard, and obligations of every description were payable in coin of either metal.

Silver was no more redeemable in gold, than gold in silver. Neither metal alone, at any time, constituted our money standard, but both together. Though coined separately, at a ratio fixed by law, it was the mass of the whole, as much as if it was

coined as a composite metal, that formed our real money standard, and constituted the money of final redemption for all obligations.

The coinage of the two metals in the United States was equally free and unlimited from the establishment of the mint by the concurrence of Washington, Hamilton and Jefferson in 1792, until silver was demonetized in 1873; and by our constitution, no State is allowed to make anything but gold and silver coin a tender in payment of debts.

DANIEL WEBSTER SAID:

2. "I am clearly of the opinion that gold and silver at rates fixed by Congress, constitute the legal standard of value in this country; and neither Congress, nor any State, has any authority to establish any other standard, or to displace this."

PRIMARY MONEY.

3. Standard gold and silver for coinage purposes, is composed of nine tenths pure metal and one tenth alloy. Our standard gold dollar contains 25.80 grains of standard gold, and our standard silver dollar contains 412.50 grains of standard silver.

The quantity of pure gold in the gold dollar has been changed twice, but the quantity of pure silver in the standard silver dollar has never been changed. It

contains exactly the same amount of pure silver it did 100 years ago—371¼ grains. These two coins constitute our primary money—money of final redemption. They are standard coins and therefore all obligations of the government, payable or redeemable "in coin," are payable or redeemable in either gold coin, or in silver coin, at the option of the government.

This is the law of the land, but by the decree and practice of President Harrison, as well as of President Cleveland, gold coin alone, is the money of final redemption.

SECONDARY MONEY.

4. The greenback, the treasury note, the National bank note, and the gold and silver certificate, constitute our secondary money which the holder may require to be redeemed: The National bank note in greenbacks, and the greenbacks and treasury notes, *in coin*, and the certificates, in the coin they call for.

The coin and notes together, constitute our money supply—our currency. But this volume of real money, is supplemented by a much larger amount of "credit money," "confidence money." (See bank Credits—Paragraph 52.)

MONEY.

5. Is an instrument provided by law, by the use of which, exchanges are made and

consummated, and debts are paid. It is a medium of exchange.

BEST MONEY.

6. We hear much talk of *best money*, as though the higher—the more appreciated the dollar becomes, the better and more "honest" it becomes. Nothing could be farther from the truth.

Appreciating money takes value from the debtor and gives it to the creditor, while depreciating money reverses the opperation.

All competent writers agree that best money, is money so constituted in its supply as to maintain constancy in its purchasing power over commodities in general, so that, when the money that you have loaned comes back to you, it should buy just about the same amount of the necessaries of life as when you loaned it. It should not buy more, as the interest you receive pays you for the use of the money, and for a similar reason neither should it buy less*

WORST MONEY.

7. Constancy in the purchasing power of money is exactly the same thing as stability in the general price range of commodities, and it follows, of course, that rising prices, means and is, depreciating

*Paragraph 8s.

money, while falling prices means and is, appreciating money, and *worst* money, is that money, no matter what it is made of, which is constantly increasing in value, for that means everything else is decreasing in value.†

PRICE.—YOUR MORTGAGE.

8. *Price* is the money value of the thing exchanged, and its meaning is different from *value*, in this, that its meaning is limited to the *money* value of the things exchanged.‡

YOUR MORTGAGE

don't go down in price, with your products, but goes up with gold. It calls for just so many "dollars," with interest, which you must pay in "dollars" whether your wheat brings you $1.50 per bushel or only 50 cents. Neither do your taxes go *down* with your wheat.

Now, don't you see that *price* has everything to do with the matter, and that low prices is the very thing that is knocking you out?

The producers' greatest wrong and hardship will be righted, when he gets a fair price for his products; that will do it and nothing else will, and the only way he can get better prices, is by an increase in the volume of money in circulation.

That is the whole thing in a nutshell.*

†Paragraph 18. *Paragraph 12-22. ‡See Appendix for Table of Prices.

WHAT IS "VALUE?"

9. It is the most important word used in the discussion of economic questions.

The yardstick is always of the same *length*, the pound of the same *weight* and the coined dollar of the same *weight and fineness*. But the weight of the dollar is not its value. If it was, its value would always and in all places be the same, and everybody knows that is not the fact.

The value of a thing is the other thing it will exchange even for. Value, is power in exchange, and is in no sense fixed and unchanged, because value is a relation, a ratio between the things exchanged, and therefore, in the nature of things, cannot be fixed, but is varied and changed by every change or variation in either of the factors of the ratio.

Value in economics is market equivalence, and is determined by the conditions surrounding the things exchanged—by the demand and supply of both of the things exchanged, at that particular time and place, and if money is one of the things, then the supply of money, then and there, has just as much to do with the price of the thing exchanged, as the supply of the commodity has.

INTRINSIC VALUE.

10. As Betsy Prig said to Sary Gamp,

"I don't believe there is no sich a person" in economics.

Gold, silver, iron, copper, wheat, cotton, etc., all have intrinsic *qualities* and their particular qualities remain with and in them, wherever they are—always the same but their *value* changes from time to time, according to the extrinsic conditions they may be placed in.

A bushel of wheat is intrinsically the same, whether it is at Lincoln, Nebraska, or in Liverpool, but in one place it is worth (say) 40 cents, and at the other, 75 cents.

In a Montana mining camp, a sack of flour was exchanged for $60.00 in gold, while at the same time another sack of flour at Minneapolis, of exactly the same weight and intrinsic qualities, was worth but three or four dollars.

You must see that the intrinsic value fiction won't work in economics. It knows no value but market value, and the gold dollar is not an exception.

What would you say was the *intrinsic* value of a locomotive, of a horse, a chair, your hat or your writing desk? Of a sack of flour at Lincoln, at Liverpool, at St. Paul and the mining camp? A change in the *location* of the sack of flour does not in the least change its intrinsic qualities, but it certainly does change its value. Hence value is not intrinsic, but is entirely extrinsic.

VALUE CHANGE.

11. If the gold dollar today will buy or exchange for more on the average all along the line of purchasable commodities than it would twenty years ago, then the gold dollar has changed in value—has gone up, and commodities down.

The usual idiotic reply is: "Oh, in that case, the commodities have gone down of course, but the gold dollar is just the same, has not changed at all. It's a gold dollar the world over—melt it up and it is still worth a dollar."

The gold dollar will buy or exchange for more of all these things, and that is a change in its purchasing power—its value as to them. What the cause of the change is, is another question entirely.

Goods going down in price means, and is, money going up in purchasing power. It is one and the same fact stated from different standpoints. The change is in both the money and the goods, as to each other.*

VOLUME OF MONEY—DEMAND AND SUPPLY.

12. Is the all prevailing law of trade, and applies to money to fix its value, the same as it does to all purchasable things, to fix their value.

All admit the law of supply and demand

*Paragraph 15-18.

as controlling the value of products, but some deny that the same rule applies to money, and determines its value.

I have never heard a reason given or suggested by anybody for any such distinction or exception to the rule, unless it be by the unlimited asses who say that money (the gold dollar) "never changes in value."

But weight is not value. The weight of the gold dollar remains the same, but it exchanges for more wheat than formerly, and when it will buy more all along the list of goods and commodities, then, for a fact has it changed in value.

Prof. Francis A. Walker in his book, "Money Trade and Industry," page 41 says: "The money supply has nothing to do with placing one commodity below or above the other, on the scale of prices, but (other things remaining the same,) *it determines what the general scale of prices shall be*." (Also see Weston on Money, pages 33 to 49 and 251. Brussels Conference (Jones), pages 282–286.

Value is purchasing power, and every change in price, is a change in the value of money as well as of goods, as every farmer and planter knows to his sorrow. Increase the supply of money, (demand remaining the same) and money will go down in value. Increase the demand for money, (supply remaining the same) and money will go up

in value. Increase the supply of money in proportion to the increased demand for it, and the general price range will remain normal.

Such a constitution of the money supply, all competent writers say, will give us best money, honest as between debtor and creditor, and on long time contracts, best for producers and consumers.

Bear in mind that the discrepancy and trouble is not between one class of goods or products and other classes and products, but is between *money*, on the one side and all purchasable things and services on the other.

LARGE SURPLUS IN BANKS.—MONEY TO LOAN IS NOT MONEY FOR SALE.

13. Is there too much money? Secretary Carlisle says there is; and that it is conclusively shown by the fact that it has accumulated in financial centres to such an extent as to constitute a serious embarrassment to the banks, who are unable to loan it at remunerative rates.

The facts do not warrant the Secretary's conclusions. The fact of such a surplus does not prove that there is too much money in the country, but it does prove exactly to the contrary to-wit: that there is *not enough money* in the country. The surplus is a *result*, not a *cause*, primarily—is

the result of low and lowering prices, and the unprofitable outlook for business. Why don't the depositors—the owners of that surplus, take it and go into manufacturing or mercantile business? Simply because there is no money in that business; and for the same reason they do not buy steamboats or farms. Neither will they buy wheat, cotton or iron, for all of these things are down, and still going down in price, and property being down and going down in price, means and *is*, the same fact as money being up, and going up in value. So you see that even if these dollars are lying idle or earning a mere nominal interest, the dollars are getting fatter right along; therefore they prefer to keep their dollars that are *appreciating*, rather than exchange them for the property that is *depreciating*, and their heads are level.

If there was too much money, money would be cheap, but the notorious fact is, that money is very dear; low interest rate for money does not signify a low *buying* rate for money, but the contrary. (Paragraph 15.)

The lender of money on call, does not part with the ownership of the money: he has not sold his money; he has merely parted with the temporary possession of his money, and has taken what he deems ample security, that the possession of the money shall be given back to him on call

The congestion of the circulating medium in banks, is no more an indication of financial health, than is the congestion of the blood in our physical system—in the heart, brain or lungs, of physical health. Disease is indicated in both cases, to-wit: Slow, obstructed and insufficient circulation.

When the general price range of commodities stops *falling*, and shows a healthy and steady disposition to *rise*, the owners of that surplus, idle money, will hustle to exchange their money for property that is rising, and so the surplus and congestion will disappear, for it will be in circulation, doing its legitimate work of facilitating exchanges of property—doing business.

A rise in the general price range is the KEY and the only key to the whole situation.

In paragraphs 12, 20, 21 and 22, I have explained just how that can be effected. The paralysis caused by contraction is always attended with low prices.

BUSINESS IS SICK.

14. "Money does not create business, but business creates a demand for money." —J. G. CARLISLE.

Dr. Carlisle, of the old school is called to the patient and finds him suffering from an excess of blood, (he says) and so he bleeds him. But the patient gets no

better, very fast, and Dr. Warner is called in consultation. After examination, he reports that he finds the patient's pulse very low and feeble, and the patient very weak from an insufficent supply of blood.

Dr. Carlisle: I don't agree with you, Dr. Warner; he is not doing much of anything just now, and has plenty of blood as long as he is not at work. When he gets up and goes to work again, *that* will make a demand for *more blood*; besides, don't you see he has got plenty of blood, right here in the tub?"

Dr. Warner: "Yes, I see the blood in the tub, but man alive, what good is that to a weak, sick man? What he needs is more blood in his circulation, and he won't have strength enough to get off this bed until he gets more blood, *not in the tub*, but in his heart, lungs, arteries and veins, rebuilding and strengthing his whole physical system. He must have more blood *before* he can have more strength, and more strength *before* he can go to work. But, Dr. Carlisle, you have reversed this order. You would have him go to work before he has strength, and so create a *demand* for more blood. That is a physical impossibility. Your depletion of his circulation in the first instance was a fearful mistake, and the treatment must be reversed at once, or you will have a funeral on your hands."

CHEAP MONEY, DEAR MONEY.—THE INTEREST RATE.

15. In order to ascertain whether money is cheap, as is alleged, the proper way is to go into the market, and endeavor to *buy money*; that is, try to exchange other property for money.

Money is actually cheap when it is on sale at low prices—that is, when its absolute ownership can be bought for a comparative moderate amount of property or labor.

A prominent and able lawyer said to me: "The interest rate is the indicator that tells whether money is cheap or not. When the interest rate is low, (cheap) then money is cheap, and when the interest rate is high (dear) then money is high."

To illustrate, (I said) let us take the present condition of things. The interest rate is low, (cheap)? "Yes." Then according to your rule, money is now cheap? "Yes." Well, you will concede, I presume, that goods and commodities are cheap? "Yes, certainly they are." Then the proposition you make is this: That at the same time and place, *money* is cheap, and *goods*, commodities and property are also cheap.

Now, my dear sir, don't you see that in the very nature of things this cannot be? Cheap, is a word indicating a relation to

something that is comparatively dear; and the word *high* to something that is comparatively low.

When you say that prices of goods are lower, you mean, of course, that they are lower as to money—that is, that with the same amount of money you can buy more goods than formerly, and that is saying just this, that money has gone up as to goods.

For instance, when the price of a bushel of wheat has fallen from $1.50 to $1.00, we say properly that wheat has fallen in price—money value, 33⅓ per cent. It has fallen 50 cents per bushel, and 50 cents is ⅓ of $1.50.

Now as to the money side of the above supposed fall in price: Whereas, formerly $1.50 would buy just one bushel of wheat, now $1.50 will buy one and one-half bushels—that is it will buy 50 per cent. more wheat than formerly, hence, money has appreciated—increased in purchasing power, 50 per cent. as to wheat. Hence we see that a fall of *one-third* in price is exactly the same thing as an appreciation of *one-half* in the purchasing power of money, and when the *fall in prices is general*, then the *rise in the value of money is general.*

Appreciating money and falling prices are not two separate facts, but they are one and the same fact. In the nature of things the one cannot be without the other; bu*

you can state the one fact from the money side of the transaction, or from the wheat side. The one is not "due to," nor "caused by" the other; they are one.

When one arm of the even balance scale beam is *down* the other is *up*. One arm is *lower*, the other is *higher*. When prices are *down*, money is *up*. When prices are *up*, money is *down*.

Now in trade and commerce—in making exchanges, money is always one of the arms of the scale beam, and goods or other property the other arm. By your theory, that both goods and money are now cheap, you make both arms of the scale beam go down at once and together, and that *cannot be*. Bear in mind that price is the value of a thing in *money*. You say that money is cheap. I say that it is dear, but we agree that interest rates are low, and that prices are low, and commodities cheap. Now, prices being down and commodities cheap, it follows necessarily that money is up in value, and is dear. The result of my argument agrees with the facts of today. Wheat is 16 cents lower than a year ago What does that signify? That money is cheap?

THE INTEREST RATE.

What does it signify? Senator John P. Jones says: "The decrease of the interest rate has kept even pace with the rise in the value of money."

I hold, therefore, that a new axiom should be added to the science of political economy, viz: That as the purchasing power of money increases, its income producing power decreases, and in about the same ratio; and conversly, when the purchasing power of money decreases, its income producing power increases.

In other words: When prices rise, interest rises, when prices fall, interest falls. (John P. Jones, May 12, 1890.)

BORROWING MONEY

16. Is quite a different thing from buying money. Borrowing is like a dose of blue-mass—all right and beneficial occasionally, but decidedly bad as a steady diet.

And so I say the producer should get a remunerative price for his products, and so *buy* his money with his products and not have to become a chronic borrower, which means disaster and ruin to him.

The Farmer's wages are his products, and if he gets no more than actual cost for his products he gets no wages. Give him a fair chance by fair prices, and he will not need or ask for the impracticable scheme of a sub-treasury, but he will still insist that there shall be

NO BANKS OF ISSUE,

17. State or National, because the self interest of a bank of issue tends to inten-

sify a panic, for it withdraws its notes from circulation when the public most need them, and puts them out freely when speculation is rampant, interest high and panics breeding; and further, because the coining and issuing of money should be retained by the Government, which should supplement its gold and silver freely coined, with its legal tender paper money, in quantities sufficient to restore and maintain normal, healthy prices.

THE TARIFF AS A CAUSE—FALLING PRICES.

18. The Democrats claim that the McKinley bill has raised prices and therefore hurt the country. The Republicans claim that it has reduced prices and thereby blessed the country, both thereby agreeing that low prices are best for the country. But falling prices are exactly the same thing as appreciating money, and appreciating money means and is, depreciating homes, farms and products. Is it well for the country that a $5,000 greenback or bond that pays no taxes should go up in value at the expense of the $5,000 homestead—the farm, that does pay taxes, as well as furnish a home for the family, the nucleus of our civilization?*

By one party the McKinley bill is named as the cause of all our woes; by the other

*See Appendix for Table of Prices.

party its threatened repeal is insisted on as the only cause. But if the threatened repeal brings such disastrous results in the United States it should and would produce just the contrary results in England, and that is not the case.

Prof. A. H. Lowrie, of Elgin, Ill., has just returned home from Freiburg, Germany, where he has been consul since November, 1892. He says: "Business depression is not confined to the United States. Germany, France and Switzerland are experiencing just as hard times, and in England the condition is immensely worse than in this country."

What the Englishman wants is free access to the American market!

The very thing that our Republican friends allege as the cause of our business depression is exactly the same thing that would certainly improve and boom the business outlook in England. But there is no encouragement, much less a boom in the English situation, and therefore, that can not be the predominating *cause.*

The question is: Will a protective tariff, **with a gold standard,** *bring us good times?*

We have had a protective tariff ever since 1861, and during the first ten or twelve years of that time we had plenty of money, cheap money, high prices, general prosperity and good times. Then from 1873 to 1894 our economic and business situation has been

changing in this respect: money began to be scarcer, and therefore dearer, and prices lower and falling, and this toboggan down grade of prices and up grade of money continued through the whole period, resulting in our present deplorable condition, and we are still progressing (?) in the same direction, under the gold standard and a protective tariff. During the one period we had the protective tariff, plenty of cheap money, high prices and prosperity. During the other, the same tariff, but scarce and high money, low prices and bankruptcy. The tariff was substantially the same through both periods, and we have seen how the protective tariff *with the gold standard*, failed to control and give us good times in the last period. The main economic difference between the two periods was in the money supply—plenty and cheap in the first; scarce and dear in the last. Hence, scarce and dear money, which is low prices, was the controlling cause in the last period.

HARRISON AND CLEVELAND.

Now suppose we turn out the goldbug Cleveland, and put in the goldbug Harrison, and a protective tariff; what will we then have? Just the same main economic conditions that we had from 1873 to 1894—a protective tariff and (practically) the gold standard, which resulted in our present conditions of distress and bankruptcy; but with this difference, that the monetary stringency will then be more intense than before, owing to the entire stoppage of silver coinage by the repeal.

BUT AGAIN.

The fall in prices throughout the world does not coincide with tariff lines, free trade or protection. It regards them not, but there is just one thing that the fall in prices does coincide with, and that is the money standards.

In all of the countries of the world having the gold standard prices have fallen alike, while in all of the silver standard countries, prices have remained normal—have not fallen. Prices have gone down in free trade England, Austria and Italy the same as in the United States.

Low prices and high money go with the gold standard every time and in all languages, without regard to high tariff, low tariff or no tariff; and therefore, I say:

First. The tariff, although of great importance, is not the controlling cause.

Second. The money supply is the one all powerful and controlling cause. The continuation of the protective tariff *and the gold standard* will be no change from the conditions of the last twenty-one years, as I have shown. The conditions that put us "*in* the hole," are not the ones to pull us *out* of it.

The gold standard, means money becoming scarcer and dear, and prices low and lower all the time. In all of the history of the world, those conditions never did bring anything but disaster to the people—enriching the few, impoverishing the many, and they never will.

WHAT CAUSED THE FALL IN PRICES?

(From a letter by Gen. A. J. Warner.)

"Let us stop to review first the fall of prices from 1873 to 1893, and its effects upon property and the various industries.

We have not room to repeat long tables, nor is it necessary. Evidence is abundant, however, to prove that the general average of prices of staple commodities has fallen from 45 to 50 per cent. since 1873. The same is true of property generally, except where special causes have operated to counteract the general downward tendency.

The effect was felt first in the prices of agricultural products and then in farm lands and farm labor. In fact, the decline fell first on unorganized industries and the products of unorganized labor. There was less resistance in these industries, and they gave way first.

Industries operating under the control or under the influence of organized labor offered stubborn resistance to a reduction in prices, and especially to a reduction in wages. And in large measure the rate of

wages has been kept up in organized and protected industries, but duration of employment and total earnings, even in those industries, have materially decreased, as profits have decreased. This condition of things has led to combinations of capital in the form of trusts and combines of various kinds to uphold prices and increase profits. But in the great department of

AGRICULTURE,

embracing 45 per cent. of the entire population, and giving support primarily to all, this has been impossible, and hence this greatest of all the industries began to suffer first, and has thus far suffered most.

A few facts will illustrate the effect of this condition on agriculture. Take first the leading staples, wheat, cotton, corn, oats and hay. The average value of an acre's product of these crops in 1873 was $15.65; in 1893, for the same quantity of products, $8.15, a fall of nearly 48 per cent.

If we take wheat alone, the fall has been from $13.16 to $6.00 per acre, or over 54 per cent.; and if we take cotton, the fall has been greater still, or from $28.01 to to $10.65, or a decline in the value of an acre's product, the quantity being the same as for 1873, of 62 per cent. The average acre value of the crops of 1873 was 85 per cent. greater than in 1893. Nor can this be accounted for by an increase in crops,

either for this country or for the world.

The estimated wheat crop of the world for 1891 was 2,432,000,000 bushels: for 1892, 2,403,000,000 bushels: for 1893, 1,904,000,000 bushels. But with a *reduced* supply the Liverpool price has gone down from $1.15 in 1891 to .773 a bushel in 1893, a short crop and the lowest price for over 100 years. The wheat crop of the United States is placed at 396,000,000 bushels for 1893, as against 516,000,000 for 1892.

The cotton crop for this country for 1892 was 6,717,000 bales; for 1893, 6,600,000 bales. At the same time the price has gone down from 8.4 cents a pound in 1892 to 6.89 cents for 1893. And altogether, if the farm products of this year could be sold at the prices prevailing in 1873, they would bring the farmers nearly $1,500,000,000 more than at the prices prevailing this year. This would make a big difference in the debt paying power of farmers.

DUE TO WHAT?

It is idle to claim that any considerable part of this fall in the prices of agricultural products is due to cheaper methods of production or to improved machinery. The truth is, nearly all the improvements in farming implements date back beyond the period under consideration. Almost the only exception is the improved self-

binder for harvesting. So, too, most of the great railway lines were completed before, or in the early part of the period embraced between 1873 and 1893.

Perhaps nothing affords a better test of the change in the value of farm products than milch cows. Instead of an increase relatively to population there has been a decided decrease and at the same time a fall of 50 per cent. in the selling price of these animals.

As a rule, farms have gone down with the fall in the price of farm products. Exceptions to this rule no doubt exist in some of the newer States, where fertile soils have been more recently brought under cultivation. But so great has the depreciation of farms become in many of the older States, that what to do with them has become a serious question.

The important question is: What is the cause of this fall in prices?

Does it arise from a change in the relation of supply to demand or from changed conditions of productions? No! Certainly not 5 per cent. of the fall is due to such causes.

ANSWER.

It is due to a change in the money standard—in the pricing instrument. In other words, the change is in the money and not in the commodities. The change, however, has come in such disguise that it

seems not to have been apparent to many, and besides, every effort has been made by those interested and by the public press, especially the great dailies of the east, to obscure the facts. But it is none the less true and none the less diabolical.

SCHOOL CHILDREN.

A most lamentable consequence of this condition is the inability of the people to maintain the former standard of education, and the common schools are made to suffer from the impoverishment of the people. Nor is this condition confined to the farming districts, but is, perhaps, already quite as seriously felt in some of our large cities, where the children of the poorer classes are no longer sufficiently well fed and clothed to be able to attend schools. Thus the system is impaired if not endangered by the inability of the people to support such facilities as are required by the higher standard of education that has been reached.

NOTHING TO BUY WITH.

In the first place, as has been shown by the fall in the prices of agricultural products, the purchasing power of the farming class has been cut down by at least one-half. And, even if prices of the things he would buy had come down in the same proportion in which his products have fallen, he still has little left to buy with, after paying

debts and taxes. His real purchasing power is his surplus after living and paying what he must pay. Hence, with this enormous falling off in the capacity of 30,000,000 of people devoted to agriculture, to buy; a seeming surplus of manufactured products accumulates, industries stop, laborers are unemployed, and trade is restricted. That is the condition now.

The plain meaning of all this is that 38,000,000 of people cannot long continue to get high wages and reap large profits by selling their surplus products to 30,000,000 of people who have to take low wages and make no profits. In other words, there must be, and there will be, a leveling down in these industries; the leveling will be down and not up, because, under present conditions, all things tend downward. There is no law in economic science better settled than that capital will flow, and labor will go, from industries where profits and wages are low to industries where profits and labor are higher, until an equilibrium is reached.

No tariff and no organization of labor and no combination of capital, can permanently prevent the operation of this law as long as trade is free within our own borders.

FOR WHOSE BENEFIT.

In this leveling process, passing from unorganized to organized industries, from

farms to city real estate and railroads, who are the gainers? Two classes only: They who draw fixed salaries, and they whose wealth is in money and in evidences of debt that call for the same number of dollars, regardless of their value, and which in the end rests on the power of taxation, with armies, if need be, behind that. These two classes, and these two alone, at last are the gainers by the policy now being pursued. Every other form of wealth must partake in greater or less degree in the fall which must follow the certain appreciation of gold.

Is everything in the end to be swept into the coffers of those who know no country and no interests but their own? Are all races to be made bondsmen to one? Such a money power never before existed as that which devised and is now carrying out this nefarious scheme to plunder the world."

OVER-PRODUCTION

19. Is often urged as the cause of low prices. But there is not too much wheat, corn and cotton. It is all wanted by somebody. The trouble is that many who need these things are out of employment, and so have not the means to get them.

It is a clear case of *under-consumption*, rather than over-production.

There can be no over-production of food, as long as there are empty stomachs, with

willing but idle hands to fill them. And there can be no over-production of fabric material, as long as there are rags to be shed, or nakedness to be covered.

Mr. A. Allard, delegate to the Brussels conference said: "But we are told by the delegate from Switzerland, that if prices have fallen, it is all owing to "over-production."

If I come here and assert, as he does, that for the last twenty years, mankind has been obstinately producing more than it is able to consume; that for the last twenty years the world has been producing things of which it did not stand in need, you would not take me seriously, and with very good cause. Such, however, is the paradoxical nature of that singular theory of over-production that the honorable gentlemen on the other side have reached the point where they must endeavor to convince us that our *privations* are owing to an *excess* of *production* and that labor leads to *poverty*.

Facts within our reach inflict upon them a flat contradiction. Stores are everywhere empty; business is stagnant on all sides, and it is admitted by general consent, that the commercial world feels overwhelmed by some impoverishing influence which threatens it with death.

The statistics of Mr. Sauerbeck have clearly proved that the allegation of over-

production as the cause of falling prices, is absolutely false.

From 1860 down to 1873 the production of the world had each year increased by 2 8-10 per cent.; that was in the days of California and bi-metalism. Prices rose 40 per cent.

From 1873 to 1835, the world's production no longer increased beyond the rate of 1 6-10 per cent. per annum; prices should have risen at a still larger rate, instead of which they have fallen 32 per cent. This is the demonstration of the delegate's mistake in continuing to believe in over-production, which was disproved long ago.

The truth, gentlemen, was told by Mr. Goschen in England in 1883.

"The fall in prices is clearly (owing to?*) the appreciation of gold."

He expressed his idea in this typical sentence:

"Blessed, therefore, are those who possess pounds sterling: Miserable, on the other hand, are those who remain with articles of consumption, produce or estate on their hands."

Who are the blessed ones to whom Mr. Goschen alluded?

They are to be found among the lenders who have gold to receive: Those who have loaned out to the States, the Countries and

*Paragraph 15-18.

towns, for long terms. And who are the unfortunate ones?

"The producers, the laborers, and in the foremost ranks the farmers."

Incomes from loans are rising, products are falling; the lenders, therefore, are growing wealthy at the expense of national labor. Such is the truth, and hence, gentlemen, the struggles arising in all parts of England as elsewhere—struggles between capital and labor—struggles which we are witnessing between so many classes against glaring injustice.

We are confronted with a serious, profound, lamentable, but above all, formidable revolution, the disastrous effects of which we are feeling more acutely every day."

HAY-SEED VS. COTTON-SEED.

20. The statesmanship (?) of both of the old parties is that of Wall street. Right well they know that the most important question before the American people to-day is the money question, but they manage to get the hay-seed and cotton-seed fellows by the ears, over the ghost of impossible free trade or protection, or over the scarecrow of a dead and gone force bill.

If Hay-seed wins in the put-up scrimmage, Benjamin steps in and takes the pie and delivers it (to the people? Oh, no) to the bond-holders of Europe and America.

If Cotton-seed wins, Grover steps in and takes the cake for the same gang of conspirators, their heirs and assigns.

Neither Mr. Hay-seed nor Mr. Cotton-seed are in the divide. All either of them can show as the fruits of their valor and victory, are the wounds and bruises of battle, and a still *lower price* for their products.

Some day they will see that they have been successfuly fooled and played off against each other for chumps—rural suckers, meat for the Wall street bunco stearers.

DEMAND FOR MONEY.

21. The demand for money is equivalent to the sum of the demands for all other things and services, and its value is fixed by the demand for it—the competition to get it. Hence, when the demand for money is increased by reason of more business and property to be handled by it, the supply of money must be increased proportionately, or money will go up, and property down in value, and that is just what has been going on for the last twenty years, until the gold dollar will now buy on the average, 100 per cent. more than it would in 1873. All this, mind you, at the expense of the producer and debtor, handed over to the creditor, in addition to the face of his bond and interest, and all done by law, and in the name of honesty?

HOW MUCH MONEY?—THE GENERAL PRICE RANGE.

22. What, then, is a sufficient supply of money? I answer, the general price range is a sure indicator.

*All agree that stability in purchasing power is the great desideratum as to money, and stability in money is the same thing as stability in prices; hence, a fall in prices shows a short supply of money, and you don't have to go into columns of dollars, "population," or "per capita," because the general price range tells the result of all the contending forces of supply and demand (of money and goods) in the markets of the world, and the final result is *price*, and price indicates the pressure and results of supply and demand from time to time, just as surely as the steam gauge does the pressure in a steam boiler.

By going through a careful calculation as to the amount of water in your boiler, its temperature, the quantity of fuel consumed, the intensity and length of time the fire has been on, you might make a tolerable guess as to what the pressure in your boiler *should be*. But why fool away your time in *guessing*, when a glance at your steam indicator will tell you for a certainty what it *is*. And it is just the same as to the adequacy of our money supply.

*See Appendix for Table of Prices.

Look at the general price range of commodities, as shown by the market reports from month to month, and year to year.

You might *guess*, of course, at how much money per capita we should have, taking into account the fact that the average American consumes about three times as much as the average European, and that we should therefore have more money per capita than they.

But you don't have to go into all of these facts and figures, pro and con, and then *guess at it.* Look at the general price range, and if it shows a general fall in prices, then you know for a dead certainty that the supply of dollars in circulation is insufficient, because the

STABILITY OF MONEY,

23. That is, its purchasing power or power in exchange, is the paramount object sought for, in providing for our supply of money.

All competent writers agree on this proposition, and so does Andrew Carnagie. Now when the general price range is falling, money is going up—is becoming unstable.

You can stop falling prices by destroying a large portion of the commodities, or by sufficiently increasing the supply of the pricing instrument—money, and in no other way. Which shall it be?

The great object sought for is *stability.* In what other way can we obtain it?

CIVILIZATION.

24. True progressive civilization is not that the dollar shall continually increase in purchasing power, (continuous falling prices) and absorb all the benefits arising from cheapened processes, improved machinery, transportation, etc., but it is the true and right thing that the man, the day's work, together with the capital, the machinery, tools and appliances that contribute to the increased productiveness of labor, shall each have their proportionate share of the increase. The laborer would thereby share in the advantages of progressing civilization.

The dollar that did not in any way contribute toward the increase, is not entitled to any share in it, but it will and should, continue to buy substantially the same as before. If prices go down in proportion to the increased productiveness of labor, then the laborer gets no benefit from the increase, but the dollar that has had no part or lot in producing this increase, gets *all* the benefit of it, which would be manifestly and shamefully unfair and unjust.

RESULTS OF CONTRACTION.

25. At the beginning of the Christian era the Roman empire had $1,800,000,000

of metallic money, and at the close of the dark ages, (A. D. 1500) only about $200,000,000.

The fact of an enormous contraction of the money volume, and consequent fall of prices, was coincident with the darkest period in European history since the dawn of civilization, and in the light of subsequent events we may safely conclude that it was an important factor toward such a result as the dark ages. Prof. Francis A. Walker says:

"The steady rise in the value of money, due to its increasing scarcity contributed greatly to the impoverishment of the people—the decay of commercial enterprise and the abandonment of agricultural lands, which sapped the foundation of the Roman empire."

Upon the discovery of America, and the consequent copious inflow of the precious metals therefrom, prosperity came, and civilization resumed its onward march.

In 1809 the revolutionary troubles between Spain and her American colonies broke out, causing a great reduction in the European supply of the precious metals, and in 1816 England demonetized silver—these two things, lessening the supply of money, caused a general fall of prices, so that, in forty years (1809 to 1849) prices fell off 60 per cent., and money increased in purchasing power, 145 per cent.

History records this forty years of falling prices as a period of intense gloom, with universal poverty and distress among the masses.

TENANT FARMING.

26. One result was, that at the end of that period, the land of England was owned by one-fifth of the number of those owning land in 1809, such former owners becoming mainly tenants.

Statistics show that tenant farming is rapidly increasing right here in Ohio, and increased in Illinois 50 per cent. in the last decade, and tenantcy does not tend to make good farmers or good citizens. Ireland is a sample.

The country as a whole is prospering, but the "corn, wine and oil" go to the moneyed classes, and the husks to the producer, making many millionaires on the one hand and paupers on the other, and all done and caused by wicked monetary legislation, and in the name of honesty.

HENRY CLAY

27. Discussed this subject in a speech in the Senate more than fifty years ago.

The condition of the country now is very similar to what it was in 1840.

He was remonstrating against contracting the money volume, and showing with his unsurpassed eloquence and logic the

fearful results of contraction and falling prices.

Will the political editor of to-day expect to answer and silence the voice of the old man eloquent by the cry of "crank" and "calamity howler?" Mr. Clay said:

"The proposed substitution of an exclusive metallic currency for the mixed medium with which we have been so long familiar, is forbidden by the principles of eternal justice. Assuming the currency of the country to consist of two-thirds paper and one-third specie, and assuming also that the money of a country, whatever may be its component parts, regulates all values and expresses the true amount which the debtor has to pay his creditor, the effect of the change upon that relation and upon the property of the country would be most ruinous. All property would be reduced in value to one-third of its present nominal amount, and every debtor would in effect have to pay three times as much as he had contracted for. The pressure of our foreign debt would be three times as great as it is, while about $600,000,000, which is the sum now probably due to the banks from the people, would be multiplied into $1,800,000,000!

"Have gentlemen reflected upon the consequences of their system of depletion? I have already stated that the country is borne down by a weight of debt. If the currency be greatly diminished, as beyond all example it has been, how is this debt to be extinguished? Property, the resource on which the debtor relied for his payment, will decline in value, and it may happen that a man, who honestly contracted debt on the faith of property which had a value at the time fully adequate to warrant the debt, will find himself stripped of all his property and his debt remain unextinguished. The gentleman from Pennsylvania (Mr. Buchanan) has put the case of two nations, in one of which the amount of its currency per capita shall be double what it is in the other, and, as he contends, the prices of all property will be double in the former nation what they are in the latter. If this be true of two nations, it must be equally true of one whose circulating medium is at one period double what it is at another. Now, as the friends of the bill argue, we have been, and yet are, in this inflated state; our currency has been double, or in something like that proportion, of what was necessary, and we must come down to the lowest standard. Do they not perceive that inevitable ruin to thousands must be the inevitable consequence? A man, for example, owning property to the value of $5,000 contracts a debt for $5,000. By the reduction of one-half of the currency of the country his property in effect becomes reduced to the value of $2,500. But his debt undergoes no corresponding reduction. He gives up all his property and remains still in debt $2,500. Thus this measure will operate on the debtor class of the nation—always the weaker class, and which for that reason most needs the protection of goverenment.

"But if the effect of this hard money policy upon the debtor class be injurious, it is still more disastrous, if possible, to the laboring classes. Enterprise will be checked or stopped, employment will become difficult, and the poorer classes will be subjected to the greatest privations and distress.

"And what is the remedy to be provided for this most unhappy state of the country? I have conversed freely with the members of the Philadelphia committee. They are real practical workingmen—intelligent, well acquainted with the gen-

eral condition, and with the sufferings of their particular community. No one who has not a heart of steel can listen to them without feeling the deepest sympathy for the privations and sufferings unnecessarily brought upon the laboring classes. Both the committee and the memorial declare that their reliance is exclusively on the legislative branch of the government. Mr. President, it is with subdued feelings of the profoundest humility and mortification that I am compelled to say, that, constituted as Congress now is, no relief will be afforded by it unless its members shall be enlightened and instructed by the people themselves.

[To the Vice President.] "To you, then, sir, in no unfriendly spirit, but with feelings softened and subdued by the deep distress which pervades every class of our countrymen, I make the appeal. By your official and personal relations with the President you maintain with him an intercourse which I neither enjoy nor covet. Go to him and tell him, without exaggeration, but in the language of truth and sincerity, the actual condition of his bleeding country. Tell him it is nearly ruined and undone by the measures which he has been induced to put in operation. Tell him that his experiment is operating on the nation like the philosopher's experiment upon a convulsed animal in an exhausted receiver, and that it must expire in agony, if he does not pause, give it free and sound circulation, and suffer the energies of the people to be revived and restored. Tell him that in a single city more than sixty bankruptcies, involving a loss of upwards of $15,000,000, have occurred. Tell him of the alarming decline in the value of all property, of the depreciation of all the products of industry, of the stagnation in every branch of business, and of the closing of numerous manufacturing establishments which, a few short months ago, were in active and flourishing operation. Depict to him, if you can find language to portray, the heartrending wretchedness of thousands of the working classes cast out of employment. Tell him of the tears of helpless widows no longer able to earn their bread, and of unclad and unfed orphans who have been driven by his policy out of the busy pursuit in which but yesterday they were gaining an honest livelihood."

Was eloquence ever more logical? Could language portray our present condition more completely? This whole great plea was for more currency, that through this medium the distress in the land might disappear, and bring relief to the toiling millions. One would think after such an impressive warning, the nation should avoid similar calamities. Yet after half a century we find ourselves in the same condition as when this speech was delivered.

GOLD DEMONETIZED.

28. In 1857 Germany and Austria demonetized gold to protect the moneyed—the income classes from the "cheap" money resulting from the large supply of gold from California and Australia, but in December, 1871, the supply of gold having fallen off, and silver increased, Germany again adopts the gold standard, and stops the coinage of silver except for minor coins, and in July, 1873, followed the example of the United States by demonetizing her silver coins.

SILVER DEMONETIZED.

29. The Act of Feb. 12th, 1873, did not mention the standard silver dollar, but provided that thereafter "no other coins than those herein mentioned shall be issued from the mint, and no deposit of silver for other coinage shall be received."

Those are the words that did the business, but the following was added by revision (?) in 1873: "Section 3586. The silver coins of the United States shall be a legal tender at their nominal value for any amount, not exceeding $5 in any one payment;" also,

"The gold $1 piece, at the standard weight of 25 8-10 grains, shall be the unit of value."

Thus was the villainy consummated, our bi-metallic standard—gold and silver—set aside, and the single standard of gold only, established.

This, in connection with similar action on the part of Germany and the Latin union, increased the demand for gold, and of course they went apart in values, but it was an appreciation of gold, rather than a depreciation of silver, because the gold dollar to-day will buy nearly 100 per cent. more than it would in 1873, while the silver dollar, at its bullion value, will buy just about the same as in 1873.

ALL BONDS PAYABLE "IN COIN."

30. The Act of July 14, 1870, under which all of our bonds outstanding were issued, provides for their payment "in coin" of the then standard value, and that standard value was exactly the same as the present standard value.

The act of March 18, 1869, solemnly pledges the faith of the United States to the payment in coin, or its equivalent, of United States bonds and notes, "except in case where the law has expressly provided that the same may be paid in lawful money, or other currency than gold and silver." Please observe that "in coin," and "gold and silver" are used as meaning one and the same thing. Hence, if our present standard silver dollar is a "coin," and is of the same value (*i. e.* weight and fineness) as it was July 14, 1870. Then for a fact is it by the express words of the statutes, a coin and a dollar, that will lawfully and equitably pay and discharge every obligation of the government now outstanding, whether bond or note, and we insist that it shall be so applied, equally with gold, according to the supply of each in the treasury, for that is clearly the spirit and intent of the law.

JOHN SHERMAN AND THE GOLD STANDARD.

31. April 21, 1877. Secretary Sherman writes to the Attorney-General

"It may become important to the public interests to make the new bonds payable in gold coin. Can I stipulate in the body of the 4 per cent. bonds about to be issued, that they shall be redeemable in coin of the present standard value, that is, the standard value at the date of their issue, or must it be the date of the law?"

The Attorney-General answers:

"It must be the date of the Act. It was not intended that this should be varied according to the changes which might be made in the coinage, because a definite rule was given by reference to the coin of a particular date. That which will pay the bonds heretofore issued under this act, will pay the bonds which you may hereafter issue."

"It cannot be authoritively said that the words 'payable in coin,' or 'payable in gold,' are equivalent to the words used in the statutes—even if this leaves open for discussion the question, whether bonds issued under the act, are, or are not, redeemable in silver coin of the character and standard which existed July 14, 1870; it is not a doubt which is in your power to remedy, by the use of words in the bonds, other than those which this statute provides."

This is the official opinion of Attorney-General Devens, and remains unimpeached to this day.

Dec. 3, 1877, Secretary Sherman again comes to the front on behalf of the bond-holders, by recommending to Congress: "That an express exception shall be made requiring that gold coin alone shall be paid for principal and interest on bonds issued to the public creditors since February 12, 1873, the amount of which is $592,990,-700."

The Secretary pleads for the bond-holders as a conscienceless attorney might for his rascally client. He is solicitous for the "public interests," that the "bonds issued to the public creditors" should be paid in gold coin only.

His special pleading betrays his animus, and is very thin.

The bonds were not issued to the public creditors. They were sold to purchasers in the open market, and they were not creditors until the sale was completed.

The terms of payment were clearly specified in the law, and published to the world, and this was printed across the face of every bond: "Redeemable in coin of the present standard value."

January 29, 1878, Congress replied to the Secretary's suggestions by adopting the following:

STANLEY MATHEW'S RESOLUTIONS.

32—Resolved, That all of the bonds of the United States, issued or authorized to be

issued, under the said acts of Congress hereinbefore recited, are payable, principal and interest, at the option of the United States, in silver dollars of the coinage of the United States, containing 412½ grains each of standard silver, and that to restore to its coinage such silver coins as a legal tender in payment of said bonds, principal and interest, is not in violation of the public faith, nor in derrogation of the rights of the public creditors."

Adopted—Senate, 43 to 22.
House, 189 to 79.

February 28, 1878, Congress further responded to the solicitous Secretary by passing the

BLAND-ALLISON ACT.

33–President Hayes vetoed this Act, but it was passed over the veto by more than two-thirds of each house, and so became a law.

It made the standard silver dollars a legal tender at their nominal value for all debts and dues, public and private, except where otherwise expressly stated in the contract.

It required the Secretary to purchase and coin into standard dollars, not less than $2,000,000 nor more than $4,000,000 worth of silver bullion per month.

SPECIE PAYMENT.

34–The resumption Act, passed Jan. 14, 1875, provides, that "on and after Jan. 1, 1879, the Secretary of the Treasury shall redeem in coin, the United States legal tender notes then outstanding * * * and to enable the Secretary to prepare and provide for the redemption in this Act authorized or required, he is authorized to use any surplus revenues from time to time in the Treasury, not otherwise appropriated, and to issue, sell and dispose of, at not less than par, in coin, any bonds authorized by the act of July 14, 1870, * * * to the extent necessary to carry this act into full effect, and to use the proceeds thereof for the purposes aforesaid."

SALE OF BONDS.

35. The Secretary is authorized to sell bonds for "coin," (not gold coin only) "so far as may be necessary," and no farther, and for the sole stated purpose of redeeming the United States notes (greenbacks) "in coin"—but for no other purpose, and if he has sufficient "coin" (say standard silver dollars) or hand for such redemption, not otherwise appropriated, then he has *no authority on earth* to issue or sell a single bond, for that or any other purpose.

The claim of the late Secretary Foster, and the present Secretary Carlisle, that this

law authorizes them to sell bonds for gold with which to redeem treasury notes, (act of 1890) and even the silver certificate, as well as the greenbacks, is monstrous and utterly without foundation, and any attempt to do so should be met by impeachment.

THE GOLD RESERVE.

36. Senator Sherman said in debate that there was a law passed since the Resumption Act authorizing the Secretary to maintain a reserve of $100,000,000 in gold.

The statement is absolutely false. When asked to give a reference to such a law he declined to do so. He had a good excuse for not doing so, to wit: the *fact* that there is no such law.

In the act of July 12, 1882, relating to the deposit of gold coin in the treasury and the issue of certificates therefor, it is

"*Provided*, That the Secretary shall suspend the issue of such gold certificates, whenever the amount of gold coin and gold bullion in the treasury, 'reserved for the redemption of United States notes,' falls below $100,000,000."

That is the only reference to a *reserve* in this or any other law. It refers in this casual way to a *reserve*, but this law does not provide for any reserve, nor does any previous law. But there was then a *reserve*, and it was established by Sherman while

Secretary of the Treasury on his own motion, with no other authority to do so than the Resumption Act gave him, and under that law which required him to redeem United States notes "in coin" he had a right to keep on hand a reasonable amount of *coin* for that purpose.

But no such amount as $100,000,000 is necessary, and there is no good reason why it should be in gold coin alone. A dead reserve for so large an amount, that in no case is to be used to redeem anything, is a fraud on the people. The words "reserved for the redemption of United States notes" were cunningly interloped into this law for some crafty, sinister purpose, which purpose Senator Sherman made manifest when he referred to it as the act authorizing the Secretary to establish such reserve; to give the reserve a show of having been established *by law*. This scheme was devised and put up by the same gang of conspirators and tricksters that got the stump speech into the Sherman law. "It being the established policy of the United States, etc., which Grover Cleveland said *obliged* him to redeem all paper money in gold alone—so as to maintain the *parity* of the *metals!* And also into the same law the words: "Or so much thereof as may be offered in each month *at the market price thereof.*"

What they got that into the law for was

made manifest when President Cleveland used it as his excuse for failing to purchase, within some six or seven million ounces of silver, the amount required by law, that it was not offered *at the market price!*

FREE COINAGE OF SILVER.

37–Free coinage of silver means and is in short, that for every 412½ grains of standard silver deposited at the mint, the government will coin and return to the depositor one silver dollar. It is in no sense a purchase of silver by the government: It is simply an exercise of its exclusive function of "coining money." Whether the resulting silver dollar will be worth as much as a gold dollar, is another question, but I believe it will be, the gold dollar coming down and the silver dollar going up, until they meet and join hands in a union of bimetallism and equality, and we are strong enough to keep them there, as France did for sixty years, by free coinage of both metals, at a fixed ratio.

What would gold go abroad for? What would we buy with it, over there, or would we let it lie idle?

Anyway, it could only go abroad so fast as its place in our circulation was supplied by other dollars.

The law of trade and exchange insures us our proportionate share of the world's money.

If our gold should go abroad at once, as you say, it would raise prices there and lower them here, and then the gold would come back to us for our lower priced goods, and so the equilibrium be restored and nobody hurt.

A DOLLAR'S WORTH OF SILVER.

38. John Sherman wants a dollar's worth of silver in the silver dollar. Was not the silver dollar worth more than the gold dollar in 1873, when you knocked it out? "Yes." Well, then, why did you knock it down and sit on it and hold it down ever since by denying it free coinage?

We had free coinage of silver from the beginning until 1873. Who asked you to stop it, Ernest Seyd? The people did not —never. The silver dollar was the first dollar we ever had.

Repeal that infamous act—that's all we want.

At least seven-eighths of the *demand* for silver under free coinage was for coining purposes. Restore silver to its ancient right of free coinage. Release it from duress, and then 412½ grains of standard silver will be worth one silver dollar at the mint, and when coined, be a dollar that is a legal tender for every obligation of the government now outstanding. Brussels Conference (Jones) pages 251 to 255.

AN HONEST DOLLAR.

It is a conceded fact that our present dollar (any of them) will buy about 100 per cent. more now of products in general than the gold dollar would in 1873. That is, it has gone up that much in purchasing power. And this is what they call the "honest dollar."

If it had gone up so that it would now buy five times as much as it would in 1873 would it still be the "honest dollar," and would it be *five times* as honest, or what?

If there is any limit in this game of appreciation, won't some *honest* man tell us where the line is drawn, beyond which it would not be honest, and why?

But suppose that instead of going up100 per cent. it had gone down 100 per cent. Would it still be the honest dollar? We all agree that it would not, but it certainly would be just as honest as the dollar that went up100per cent. If not, why not?

They are both dishonest dollars and robbers; the one robs the debtor and the producer, and the other the creditor, and I think it is as much of a crime to rob a poor man as to rob a rich man.

Well, then, neither of the above dollars being honest, what is an honest dollar? It is the dollar that maintains a constancy in purchasing power as near as may be, to commodities in general—that does not

fluctuate materially either way, up or down. Such a dollar is just and equitable between debtor and creditor.

To maintain such constancy in the purchasing power of the dollar, the supply of dollars must of course be increased as the demand for them is increased by the increased volume of the business of the country. Supply and demand govern in the money market to fix the value of money, just as effectively as it does in the wheat market to fix the value of wheat.

The Sherman act of 1873 diminished the supply of dollars, while the demand for them kept right on increasing. Hence the 100per cent. appreciation of the gold dollar of 1896 over the gold dollar of 1873, and it becomes the present dishonest dollar.

DANGER OF A DUMP.

39. Senator Sherman estimates the silver money of the world at $4,000,000,000. The great bulk of that is legal tender coin at 15 to 1 and 15½ to 1, which gives it a higher valuation to gold than our 16 to 1, and all but the subsidary coins are a full legal tender and worth its face in gold where it now is in full money use.

To send European coined silver to our mint to be coined into dollars, the holders would have to lose about 5 per cent. for difference in ratio, freight, commissions,

etc., and what would they get for it from the mint? Standard silver dollars, and this would not add a dollar to the money volume of the world. It would simply change European coined money into American coined money, leaving a vacuum in the European money supply, which vacuum they must fill with some form of money instanter or precipitate a panic. Hence they would not dump.

The gold bugs say they would then present the certificates to the treasury and demand gold coin for them. Well, there is no harm in demanding gold coin, or even diamonds, but as the certificate calls for silver dollars, that is what they would get, for I take it that the Secretary would not disobey the law, when it comes to that point, and give them gold.

Bear in nind that the silver bullion now in our treasury can only come out as coin, although in effect it is now out and in circulation as money through its paper representative—the treasury certificate. When the coin comes out the certificate goes in, and no increase of circulation results.

SHERMAN ON DUMPS.

40. But let us look at the "dump" theory from Senator Sherman's standpoint. He says that under free coinage of silver the silver dollar will at once decline to its value as bullion—that is, its bullion value

as it was before free coinage, which is now about 50 cents.

Then, he says, European coined silver will be dumped on us by the boat load, for coinage into our 50 cent dollar.

Now, the fact is, that the value of 371¼ grains of pure silver (the amount in one dollar) when coined into European money, is now, and would be under free coinage, worth about 103 cents in gold, because their silver coins (except subsidiary) are full legal tender there equally with gold.

Hence it follows, if Senator Sherman's theory is correct, that in dumping their coined silver onto us, the Europeans would lose the difference between 103 cents and 50 cents—53 cents on every 371¼ grains of pure silver—that is, their silver coins, when recoined into our dollars, would be worth 54 per cent. less to them than when in European coins, besides the cost and expense of making the transfer.

How much coined silver would Europeans dump on us at that rate of loss to themselves?

Assuredly, not a dollar's worth. There is no such good luck in store for us. Let us encourage the *silver* dump, and prohibit the criminal and pauper *dump*.

WILD INFLATION?

41. The world's supply of money is about $12,000,000,000, consisting of about

equal amounts of gold, silver and paper.

The world's annual production of gold is substantially all used up in the arts and dentistry, and the world's annual production of silver is about $170,000,000, coining value.

Now look at this: If the *whole* of the world's annual production of silver should be coined into money, it would add less than 1½ per cent. per annum to the volume of the world's money. Is that wild inflation? Population and business are increasing much more rapidly than that.

The free coinage of silver will retard but not permanently stop the fall of prices. The demand for money would still be increasing faster than the supply.

"THE FUTURE OF SILVER"

42. Is a work just from the press, by the eminent geologist and scientist, Prof. Eduard Suess, of the University of Vienna.*

I note in brief his conclusions. He says: "The Government may now ask, whether in particular in England, the interest of the Government creditor is to remain the ruling interest.

"Furthermore, it is certain that gold alone can never become the standard of the whole earth, but that on the contrary, a time will

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come when it will have been entirely absorbed by industry.

"From this it follows, furthermore, that *assuming that the system of metallic coinage continues to exist*, (and I see as yet no practicable substitute) *silver will become the standard metal of the earth.*

"China was able through thousands of years to draw upon itself for her requirements and to continue in isolation. Europe will not bear isolation from the other continents. *The question is no longer whether silver will become a full-value coinage metal over the whole earth, but what are to be the trials through which Europe is to reach that goal.*" (The italics are all his own.)

THE SHERMAN LAW.

43. Passed July 14, 1890, directs the Secretary of the Treasury to purchase silver bullion to the amount of 4,500,000 ounces per month at the market price, not exceeding one dollar for 371¼ grains of pure silver, and to issue in payment for such purchase of silver bullion, Treasury notes of the United States, redeemable in coin, and when redeemed may be reissued. Such treasury notes shall be a legal tender in payment of all debts, public and private, except where otherwise expressly stipulated in the contract, and shall be receivable for customs, taxes and all public dues, and when so received may be reissued. "That

the Secretary shall each month coin two million ounces of the silver bullion purchased under this act into standard dollars until July 1, 1891, and after that time, *he shall coin* of the silver bullion purchased under this act, as much as may be necessary to provide for the redemption of the treasury notes herein provided for."

"That upon the demand of the holder of any of the treasury notes herein provided for, the Secretary shall redeem such notes in gold or silver coin, at his descretion, **it being the established policy of the United States to maintain the two metals on a parity with each other, upon the present legal ratio, or such ratio as may be provided by law.**"

THE TWO METALS ON A PARITY.

44. This is the law that President Cleveland says "obliges us" to redeem the treasury notes (act of 1890) in gold only!

The sentence in broad-faced type is the only part of the law that he attempts to construe.

Notice that it is not the two coins, the two dollars, nor any other dollars that is referred to. The two dollars or coins have no "legal ratio;" they are both full legal tender dollars and equals.

But the two metals have a present "legal ratio" (15,988 to 1) and the parity of the two metals at that ratio, evidently means their parity as *bullion*.

Redeeming these treasury notes in gold coin only, does not tend in any way towards maintaining the parity of the two *metals;* but it certainly does tend toward keeping them apart.

In getting at the meaning of a law it won't do to consider a single paragraph by itself, ignoring the balance of the act, as the President has in this case. You must take the whole act and so construe it as to make all its parts harmonize, if it can be done. Now in this case, the President forgets that this same law says, the Secretary "*shall* coin so much of the silver bullion purchased as may be necessary to provide for the redemption of the treasury notes issued under this act."

To "provide" means, "to procure beforehand" "to prepare," "to get ready." Now, how many treasury notes have been issued under the act? About 150,000,000. How many standard silver dollars will it take, *to provide—to get ready* for the redemption of the $150,000 000 of treasury notes? Manifestly, just 150,000,000. Then that is the redemption that he is required *to get ready for, before hand*—by coining so much of the silver bullion as may be necessary to make that number of standard dollars. What is the silver in our *money* box for, if it is not to be coined into *money.*

The command to the Secretary is broad

and general. "He shall coin." How much of the silver? "As much as may be necessary to provide for the redemption." Of what? Of the treasury notes. How many of them? "Of the treasury notes, herein provided for." Of course that means *all* of them, and that is what he is to be prepard before hand for,—by coining, etc.

Free coinage of both *metals* at the legal ratio, will maintain their parity, and nothing else can, and when that is done the resulting *dollars* will be on a parity with each other.

But this sentence does not direct or authorize the President or any of his secretaries to do anything whatever.

It is simply an announcement by the United States to whom it may concern, as to what its established policy *is*, in framing its financial legislation, and it carries with it an implication that its policy will be the same in the future, in it its monetary legislation.

When the United States wants something done towards carrying out its established policy, Congress will, in due form, indicate *what* is to be done, and *how* and *who* is to do it, and it does so in this law. It says: The Secretary shall coin the silver bullion as may be necessary, to provide, etc.

Does the law command him to coin the silver bullion purchased "as may be necessary to provide for the redemption of the

treasury notes with which it was purchased, with the expectation that he will redeem them in gold coin only? Even to the selling of bonds to get the gold coin?

It's absurd and impossibile. But this is the law that the President says "obliges us"!!

When a certain and definite way is prescribed, all other ways and methods are by implication of law excluded: "obliges us?" Does the *fact* that a certain "policy" is established by the United States authorizes (not to say obliges) the Secretary to disobey the clear and explicit command of the United States—"He shall coin?"

THE REPEAL BILL.

45. Repealing the purchasing clause of the Sherman law of 1890, became a law Oct. 31, 1893, thereby putting us back onto the single gold standard, as we were, under the infamous Act of 1873, which is the real Sherman law.

The vote in the Senate was, including pairs:

For repeal, Democrats	22
" " Republicans	26—48
Against repeal, Democrats	22
" " Republicans	11
All the Populists	4—37

The anti-repealers made a magnificent fight for the rights of the people and for humanity, but the repeal combination,

bossed by Grover Cleveland, with John Sherman and Dan Voorhees as lieutenants, backed with all the power and patronage of the President (unscrupulously used): The State and National Boards of trade; The State and National Banker's Association, and the money power of Europe, all combined as they were, proved too powerful and the cause of the people went down in defeat. It was not that the Sherman law was what bi-metallists wanted; but it was a great deal better than the single gold standard, and they objected to its repeal except by a free coinage bill.

This repeal stops the purchase of silver, but the president had already annulled the purchasing clause by refusing to obey it. The law still requires him to "coin" enough of the silver, to *provide*, as stated above; which command he continues to *disobey* as before.

OBEY THE LAW.

46. Mr. President, your proffered excuse for disobeying the explicit command of the law, to coin the silver bullion, is an utter failure. You disobey the law and then complain of the necessary results of such disobedience—the export of our gold; and then you give such results as a *reason why* it should be unconditionally repealed. Your bluff that you are "obliged," don't go, because it is not true. Obey the law, coin

the silver and use it to redeem all coin obligations, equally with gold.

CONDITION OF THE TREASURY.

(From circular of the American Bimetallic League, Washington, D. C.)

SHALL THE SILVER IN THE TREASURY BE PAID OUT, OR KEPT THERE FOR NOTHING AND A NEW DEBT BE CREATED TO BUY GOLD?

47. On the first day of May, this year (1893) there were in the Treasury of the United States:

Gold coin, uncovered by certificates	$ 97,011,330
Standard silver dollars, in excess of certificates outstanding	33,553,418
Silver bullion purchased under the act of 1890, coining value, over and above enough to pay all notes issued under the act of 1890, now in circulation	51,753,926
Total full legal tender coin, or bullion that may be coined, in excess of gold or silver certificates, and notes issued under the act of 1890	$182,318,674
Notes issued under the act of 1890, in circulation, but covered by the silver bullion purchased with the notes	128,779,103
Total gold and silver available for the redemption of greenbacks and notes of 1890	$311,097,777

The nominal amount of greenbacks is

$346,000,000, no allowance being made for loss. But the greenbacks have been in circulation since 1862, and it would probably be an inside estimate to say that $46,000,000 never would come in.

Take, then, the greenbacks that might be presented for redemption at $300,000,000 and notes issued under the act of 1890 at $128,000,000, and we have a total of $428,000,000, redeemable in gold or silver coin, at the option of the Government, and $311,000,000 of gold and silver coin, and bullion that may be coined, available for their redemption, with a monthly accumulation of the difference between the market price and coinage value of 4,500,000 ounces of silver. And yet, with all this gold and silver in the treasury, and coming in, it is proposed to sell bonds and buy more gold, ostensibly for the purpose of redeeming these notes, but really to furnish bonds for investors and aid exporters to get the gold they want for Austria and other countries.

Under the laws of the United States every dollar of this coin, or bullion that may be coined, is available, not only for the redemption of greenbacks, but for the payment of all debts of the Government.

The question then is: Shall the Secretary of the Treasury exercise the option the law gives him, to pay in either gold or silver, and coin and pay out this silver, or shall a new debt be created, in order that

the holders of notes and bonds may have gold at their option?

How long can a policy of issuing bonds and buying gold last? Nothing is plainer than that such a policy, if entered upon, must sooner or later come to an end, and the longer it is pursued the worse the ending will be. Moreover, unless the silver purchased under the act of 1890 is coined and used as money, it cannot be used at all; it cannot be sold, it is not even collateral security for the notes issued to purchase it. It can be used in no way except by coining it.

The issue is plain; shall the silver in the treasury be used for the redemption of outstanding notes and the payment of bonds, the same as gold, or shall a new debt be created—new bonds be issued to buy gold?"

THE WANT OF CONFIDENCE

48. Is not a want of confidence in any kind of actual money, but it is a want of confidence in "credit money"—bankers' substitute for real money, which arises from his deposits, subject to check; it is simply confidence money. (See "Bank Credits," Paragraph 52.)

This credit money, it is claimed, does about 92 per cent. and actual money but about 8 per cent. of the business.

Now when this credit money becomes so plentiful as to raise a general suspicion

that it may not be verified by real money on pay-day, the volume of this credit money will rapidly decrease, and thereby cause a rapid fall in prices (Paragraphs 11, 12, 21 and 22,) thereby decreasing the debtor's means of paying his debts, and the creditor realizes a want of confidence in *prices*, and hence, in the financial soundness of his debtor.

The manufacturer who is now turning out, say, but one-third of his capacity, because he has orders only to that amount, would, if he had a full supply of orders, immediately put on his full force of hands. But why don't he get the orders? He finds on enquiry that his customers—the jobbers the wholesale dealers, don't order of him the usual amount, *because* the retail dealer don't buy of the jobber and that in turn, is because the retailer's customers,—the farmers, don't buy of them for the reason that they get so little money for what they produce, that when they have paid the actual cost of producing, they have nothing left with which to pay their debts, or to buy of the store-keeper the things they need.

THE SCARCITY OF MONEY.

49. Hence the primary cause of this stagnation in business, is *low prices*.

But what is the cause of low prices? I have shown you in paragraph 19 that it is

not over-production of commodities, but that it is a *scarcity of money*—an insufficient supply of the pricing instrument—money. (See paragraphs 11, 12, 18, 21, 22 and 23). Hence the remedy is *more money*, and again, hence, Bimetallism ! !

Scarce money is, of course, *high* money and that brings (Paragraph 15.)

HARD TIMES AND DISTRESS

50. To the producer, and fattens the security holder.

Your bushels of wheat and corn, your pounds of cotton and acres of land, are as good intrinsically, as they ever were; but you don't get as much or enough money, for your bushels, pounds and acres.

That's what's the matter, "*only* this, and nothing more."

Yes, but why is it that you are getting less money year after year for your bushels, pounds and acres? Is it the tariff! But prices have gone down in England and Europe as well as here, regardless of the tariff for protection or free trade.

So we see that our tariff is utterly inadequate as a cause for such world wide results. (Paragraph 18.)

The two things in your trade, are your products on one side, and *money*, on the

other; you swap your products for the money.

The products are all right, and the other side of the trade, being simply money, it would seem that the fault must be in the money, that is, in the quantitive supply of money in the market to be exchanged for the products.

A CONDITION CONFRONTS US.

51. We must have both gold and silver or continuous falling prices. There is not enough gold in the world to do the business of the world, except on continually falling prices, and the amount of gold coin can not be increased, for the reason that the annual gold supply is nearly all used for other purposes than coinage.

CONTINUOUS FALLING PRICES

Means the extermination of the producing and debtor class, for the benefit of the moneyed and the security holding classes.

The history of the world proves this (Paragraphs 18, 19, 20, 22 and 24). Hence we must have more money. Silver must be restored to its ancient position of a standard for primary money; money of final redemption equally with gold, and then the world will have nearly $8,000,000,000 of standard primary money—money of final redemption,

with which to redeem all secondary money, as well as furnish a safe and sound base for the superstructure of credit money, bills of exchange, etc., which play so important and beneficial parts in the modern business world.

BANK CREDITS—PANICS.

(A. J. Warner.)

52. But gold, silver and paper are not the only kinds of money that act on prices. Bank credits, or credits on the books of banks subject to check, perform within certain limits, the chief functions of money. They not only take the place of money, but they effect exchanges and close transactions the same as actual money, and to the extent they do this they affect prices the same as so much money would.

So that, the real effective currency, acting on prices, is made up of gold, silver, paper and bank credits, which might fittingly be called *confidence money*, since the extent of this character of currency depends largely on the confidence people have in it.

The relative portion of this credit currency to the actual money in the country is difficult to state accurately, nor can the relative efficiency of this form of currency, dollar for dollar, be closely estimated, but the report of the Comptroller of the Currency for 1893, (pages 134 and 240) gives the following

STATEMENT OF DEPOSITS:

5,685 State, private and savings banks and trust companies	$ 3,125,333,000
3,830 National banks	1,910,000,000
Total deposits, all banks	$ 5,035,333,000
Actual cash on hand by National banks	$ 322,800,000
All the other banks	193,187,000
Total cash of all banks	$ 515,987,00

Thus, altogether, the banks held but $515,987,000 of actual money, and on this built up a structure of credit currency of $5,035,333,000.

The real condition of the currency of the United States July, 1893, may, thererefore, be stated in round numbers as follows:

Actual money in the hands of the people	$ 1,000,000,000
Actual money in the vaults of the banks	515,000,000
Total actual money	$ 1,515,000,000
Bank credits	$ 4,500,000,000

This credit currency, is currency as much as if notes were issued for this amount—currency as much as were the old State bank issues—and it inflates and contracts in the same way.

This volume of credit is a creation from nothing—resting on confidence alone, and amounts to more than eight dollars to one of the money it is based upon.

PANICS!

A withdrawal of $100,000,000 of actual

money from the banks, therefore, compels a contraction of the volume of their credit money of eight hundred millions! It is plain enough to see that right here, in this purely credit currency, is where all the sudden contraction and expansion of money takes place. It is in this credit currency that our money troubles originate. Here all panics begin.

The withdrawal of a large part of the reserves from the banks in July and August last year practically extinguished for the time being a large part of this volume of bank credits.

Even in times of undisturbed confidence the relative efficiency of actual money, and bank credits,—confidence money, is by no means equal, dollar for dollar. If it were, the proportion of the whole business done by each kind of currency would be in the proportion of $4,500,000,000 to $1,600,000,000, or 73 to 27. But bank credits are created and destroyed with each transaction, while actual money works on all days and all seasons, and the proportion of work actually done by money is undoubtedly much larger than the above proportion, and in times of panic the work falls mainly on real money. Hence, it will be seen, that the claim so often made that 95 per cent. of the business of the country is done by credit appliances, has no real foundation, for in and by this volume of money and bank credits, *all*

transactions of every nature and kind calling for money are liquidated; there is nothing outside, and we see in the above figures the proportion in which the two kinds of currency exist, and from that judge of the work done by each. One thing is made apparent to all reflecting minds by these proportions and by the experience of 1893, that stability and security cannot be gained by narrowing the basis of actual money and increasing the superstructure of credit. They who would withdraw half of the metallic money from the foundation of our present currency system, and then proceed to raise higher the superstructure of credit, can hardly be counted sane, and to call such a policy "sound finance" is cold irony.

It is by loaning this form of credit at interest, this currency created from nothing, that banks derive their large dividends. Their loans must be largely on call, so that when confidence is shaken they can call in their loans and let the borrower take the consequences.

DANGER TO SAVINGS DEPOSITORS.

It is claimed that the restoration of silver would reduce the value of the savings of poor people in savings banks and trust companies.

But who ever sustained a loss from a bank having too much actual money in its vaults, or from too much gold and silver in a country? The real danger, and the only danger to savings deposits, comes from the over-expansion of bank credits and loss of value in their securities, and not from too much gold and silver money.

WHAT THE BANKS WANT.

The great banks of the cities want the single gold standard maintained, silver and paper restricted and made redeemable in gold, and the supply of currency left for them to supply in the manner just set forth. This is the English system, only their bank credits reach 10 to 1 of actual money.

GOLD HAS RISEN.

53. In value, more than 100 per cent. since 1873, is still rising, and under present conditions must continue to rise at an accellerated rate.

PRICES HAVE FALLEN.

(See Appendix for Table of Prices.)

54. More than 50 per cent. during the same time; they are still falling and must continue to fall as gold rises.

In paragraph 15 I have shown you, that a fall of one-third in prices, is exactly the same thing as a rise of one half (50 per cent. in the value of money; hence, a general fall in prices, is a general rise in the value of money. But I am asked: "How is the producer hurt by falling prices, as

long as he can buy the things he needs at correspondingly low prices?"

My friend, you mistake the situation. What he most needs, is, that his taxes be paid—his debts and the mortgage on his property paid and cancelled; his taxes, debts and mortgage have not gone down at all, but relatively and practically they have *gone up*, he has got to pay just so many *dollars* with interest, whether his wheat brings him $1.50 per bushel or only 50 cents —his cotton, 10 cents a pound, or only 5 cts, etc. Falling prices wipe out the debtors, and generally the debtors are men of enterprise and constructive energy; upbuilding the national wealth and prosperty, and these men are the first to feel the disastrious effects of falling prices. Moreton Frewing estimates the debts of the world, to the gold of the world, to be about as 40 to 1, and yet, alleged financiers and statesmen are proposing to do all the business and pay all the debts of the world, with *gold* as the only standard money! On this point read Prof. Suess (paragraph 42) and Henry Clay (paragraph 27).

MORE MONEY:—BIMETALISM.

55. To put out more credit currency, redeemable in gold, as some propose, will prove no remedy, but would aggrevate the evil. Nothing will cure this disorder but more gold, *or* make silver *again do a part*

of the work of gold, as it did before 1873.

More gold we cannot have; it cannot be had; it does not exist, but on the other had is continually becoming scarcer, and as the production of silver falls off, on account of its low price, the production of gold will still further decrease, because nearly every silver mine produces a goodly percentage of gold with its silver.

What the world needs is more standard money to redeem *with*, and not more promises *to be redeemed in gold*—more *ship* as well as more *sail*, rather than *less* ship and *more* sail.

PRESIDENT CLEVELAND.

56. In the spring of 1892 at Providence, talked about "tariff reform," up hill and down dale and nothing else, except "the *doctrine* of tariff reform,"—whatever that may be. It was the key note of the campaign and he was elected. In June 1893, he said: "Congress will be called upon to deal with a financial condition, which is the *only* menace to the country's welfare and prosperity."

Mr. President, when did the McKinley bill cease to be a "robber," and *when* and *how* did you first find it out? Was it before or after you were elected?

And here is John Sherman to the same effect (Senate, Oct. 17, 1893.)

"Break down the barrier now maintained by the Senate of the United States * * * and in ten days from this time the skies will brighten, business will resume its ordinary course, and the clouds that lower upon our house will be in the deep bosom of the ocean buried."

The "barrier" has been broken down and the gold standard established, lo these many months.

But where, oh John and Grover, is the "welfare and prosperity—the brightening skies of business resumption?" None of the good you promised has come to us, but all of the bad remains with us in progressive intensity.

A plague on both your houses. You are false prophets and deceivers, who would betray us, bound hand and foot, into the hands of the Philistines.

ANNUAL MESSAGE.

57. Having got us onto the gold standard, he now advises "a reasonable delay in dealing with financial matters as increasing the probability of wise action."

Not a word about bimetallism. He does not know what,

"IF ANY!"

supplemental legislation may be expedient.

He wants authority to call

ANOTHER CONFERENCE.

Also to issue and sell

MORE BONDS FOR GOLD.

For remember that with a Republican or a Democratic President and Secretary "coin" always means *gold coin only* and every time.

The bankers want the bonds to issue more money on, while

ROTHSCHILD & CO.

may want more gold to complete their scheme of robbery on the tax ridden and oppressed people of Austria, and *the President of the United States* desires to be able to serve his friends, the bankers, both foreign and domestic, with neatness and dispatch.

The scheme is to issue bonds ad libitum, retire our greenbacks, sell the silver bullion in the Treasury, and then allow National banks to issue all of our paper currency, redeemable in gold only.

Watch out!!

A COMMISSION OF 15 EXPERTS.

58. In case no one of the candidates for President gets a majority of all the electoral votes in 1896, then the election goes to the House of Representatives, and the House that we elect in November, 1894, is *The* House that, in that event, will *elect the next President*—each State casting one vote

Now the objective point of the gold combine from now on is to capture a majority of that *House*, and this commission of 15 is got up by them to occupy and divert the attention of the people, with their parade, sessions and junketing around the country, ostensibly to examine into financial plans, just as though they really had an idea of doing something about it, *sometime;* and they are to report, *not later than January* 1895? But the *House* will have been elected in the preceding November!

Rum game, ain't it?

Grover is to appoint	3
Adlai is to appoint	3
Crisp is to appoint	3
National Bankers Association	3
National Board of Trade	3

How is that for a gold combine, commission of

HOW NOT TO DO IT?

Our local Chamber of Commerce materializes as the starter in this scheme, but they are like the cat that was used by the monkey (bankers) to pull chestnuts from the fire. Most of them don't know any better—having given but little if any study to the subject: and some have paper discounted at the bank and must have "accommodations," and hope to be taken care of," and so they join the scheme and keep solid with the banker.

Howbeit; that most of the local bankers

are also members of the local Chamber of Commerce?

The chairman of their committee on *legislation* being a banker, and one who at sundry times and in diverse places dispenses with financial wisdom to the local interviewer.

FREE BIMETALLIC COINAGE—CAN WE GO IT ALONE?

59, If the reader will turn back and read paragraphs 37 to 42, I think he will agree with me that we can *go it alone* with perfect safety and great benefit.

I am weary of arguing self-evident truths to men who sarcastically remark that they are no mere *theorists*, nor yet *cranks*, but are practical business men, and therefore, (they assume) know all about it "practically," without the study that ordinary mortals have to give to such subjects, and this is about the size and quality of their

WHOLE SCIENCE OF MONEY.

"Gold is the only thing that has 'intrinsic,' and therefore, unchanging value, and hence is the only thing fit for a standard of value, which must be fixed and unchanging in *value*, as the yard stick is *fixed* and unchanging in *length;* otherwise it could not be a *standard of value.*"

"The value of the gold dollar being intrinsic, it follows, of course, that its value

remain the same whether there is but *one*, one million or ten thousand millions of them in circulation. Of all economic quantities on earth, gold alone has this unique quality of unchanging value, hence its wonderful adaptability for a standard of value."

"Its unchanging value is conclusively shown by the fact that the value of the gold dollar is always just 100 cents, and the value of 100 cents is always just one gold dollar. Furthermore:

10 mills make..... 1 cent
10 cents make..... 1 dime
10 dimes or 100 cents make..... 1 dollar

and that settles it."

THE END:

Of the science of money. Correct.
[Attest.] A. N. AVERAGE,
Cashier.

The above is a fair sample of the *rot* and *vacuity* given us all day long, and unashamed, by men who *look* as though they ought to know better.

But to return: If the whole annual production of the silver of the world *could be*, and was coined into dollars, it would not add 1½ per cent. per annum to the world's money volume. Talk about *that* being too much increase?—being wild inflation?

The amount of business and property to be handled by money is increasing faster than that. Now, please refer to paragraph 42 and read Prof. Suess on this point.

as Harrison and Cleveland advise, and we will never get it, as they well know.

THE ENGLISH ROYAL COMMISSION

tell *why*, fair and square. "It must be remembered, too, that this country (England is largely a creditor country of debts payable in gold, and any change that entails a rise in the price of commodities generally; that is to say, a diminution of the purchasing power of gold, would be to our disadvantage."

That is correct, but *we* (the United States) are largely a *debtor* country, owing annually abroad for interest from 200 to 250 millions in gold, and therefore a *rise in prices* would be to *our* advantage. Now, under these conditions, what are we doing? We have struck down silver and made gold the only money of final redemption, thereby forcing gold up, and products down.*

So that *now*, to get that $200,000,000 in gold that we have got to pay abroad every year, we must part with *twice as much* of our products as we would in 1873!

Of its own free will, and imbecility; steared by American Iscariots—political tricksters, in alliance with the organized greed and rascality of two Continents;

THIS GREAT AMERICAN CHUMP

has gratuitously doubled its debt to

*See Appendix for Table of Prices.

the Octopus of the World, whose headquarters is London!!

In comparison with such "financiering," (?) the sucking calf that deserted its own mother and took up a *steer* for its commissariat, displayed the wisdom of Solomon.

When we were colonies, manufacturing and inter-colonial trade, was forbidden us. We were compelled to buy and sell in England and ship in English ships.

By a seven year's war, we succeeded in *repealing* those unjust laws, but

"THE WISE OLD BIRD"

is reaping a far richer harvest from us now, by the more subtle and lucrative means of an appreciating money standard.

India, Egypt and South Africa are now subject to England's extortion and self-agrandizing schemes, as we once were. But WE are no longer colonies and subject to her dictation! Neither will we forever submit to law-defying and law-making Presidents and Secretaries.

They should remember that the greatest civil commotion of all time—

THE FRENCH REVOLUTION—

occurred after a period of seven years persistent *fall of prices*. That fall which brought to a culmination the miseries of the French people, was a fall of but 15 per cent. Yet it was sufficient to relegate to idleness and keep long in misery, enormous

numbers of men whose discontent and suffering finally overtoppled; first, the throne, and later, the Republic.

In 1776 we declared our political independence of England and by a seven-year war, established it.

By every protective tariff we have made, we have declared our commercial independence of her, without even a "by your leave" or a suggestion of a "conference." And now, the clock in the temple of American liberty, has struck *high twelve* for a declaration of

FINANCIAL INDEPENDENCE,

that shall complete and crown the work of the fathers of the Republic.

The question is, shall we be manly men and *true Americans*, and stand for a high and progressive civilization of our own by restoring

BI METALLISM,

or shall we allow ourselves to be *Europeanized* and made the vassels of money sharks, foreign or domestic?

Should we not assert ourselves as becomes men of independent minds, and decline longer to be held in the thraldom of mere party names?

"Why hesitate? Ye are full bearded men,
With God implanted will and courage if
Ye dare but show it. Never yet was will
But found some way or means to work it out,
Nor e'er did Fortune frown on him who dared.
Shall we, in presence of this grievous wrong,

In this supremest moment of all time,
Stand trembling, cowering, when with one bold stroke
These groaning millions might be ever free?—
And that one stroke so just, so greatly good,
So level with the happiness of man
That all the Angels will applaud the deed."

CONCLUSION.

60. In concluding his excellent *History of the United States;* J. C. Ridpath says:

It is the mission of the United States to ennoble toil and honor the toiler. In other lands, to labor has been considered the lot of serfs and peasants; to gather the fruits and consume them in luxury and war, the business of the great.

Since medieval times, European society has been organized on the basis of a *nobility* and a *people;* to be a nobleman was to be distinguished from the people; to be one of the people was to be forever debarred from nobility. Thus has been set on human industry the stigma of perpetual disgrace.

Something of this has been transmitted to the new civilization in the west—a certain disposition to renew the old order of lord and laborer.

Let the odious distinction perish: The true lord is the laborer, and the true laborer is the lord. It is the genius of American institutions in the fullness of time, to wipe the last opprobious stain from the brow of toil, and to crown the toiler with the dignity, luster and honor of a full and perfect manhood.

AVERAGE PRICE OF WHEAT, COTTON AND SILVER BULLION, BY YEARS FROM 1872 TO 1893, IN GOLD.

Wheat.	Cotton.	Silver.
1872.....1.47	1872.....19.3	1872.....1.32
1873.....1.31	1873.....18.8	1873.....1.29
1874.....1.43	1874.....16.4	1874.....1.27
1875.....1.12	1875.....15.0	1875.....1.24
1876.....1.24	1876.....12.9	1876.....1.15
1877.....1.17	1877.....11.8	1877.....1.20
1878.....1.34	1878.....11.1	1878.....1.15
1879.....1.07	1879..... 9 9	1879.....1.12
1880.....1.25	1880.....11.5	1880.....1.14
1881.....1.11	1881.....11.4	1881.....1.13
1882.....1.19	1882.....11.4	1882.....1.13
1883.....1.13	1883.....10.8	1883.....1.11
1884.....1.07	1884.....10.5	1884.....1.10
1885..... .86	1885.....10.6	1885.....1.06
1886..... .87	1886..... 9.9	1886..... .99
1887..... .89	1887..... 9 5	1887..... .97
1888..... .85	1888..... 9.8	1888..... .93
1889..... .90	1889..... 9.9	1889..... .93
1890.....1.08	1890.....10.1	1890.....1.04
1891..... .85	1891.....10.0	1891..... .98
1892..... .80	1892..... 8.7	1892..... .87
1893..... .62	1893..... 7.0	1893..... .75
1894 53	1894 6.9	1894 66

Shipments of wheat from India to England:

1873—Bushels.....	730,485
1892—Bushels.....	56,566,393

AVERAGE GOLD PRICE OF FORTY-FIVE PRINCIPAL COMMODITIES, BY INDEX NUMBERS, ACCORDING TO TABLES OF MR. SAUERBECK.

1873.....1.02	1880..... .88	1887..... .68
1874.....1.02	1881..... .85	1888..... .70
1875..... .96	1882..... .84	1889..... .72
1876..... .95	1883..... .82	1890..... .72
1877..... .94	1884..... .76	1891..... .72
1878..... .87	1885..... .72	1892..... .66
1879..... .83	1886..... .69	1893..... .63
		1894 55

ADDENDUM.

THE GENERAL PRICE RANGE.
STABLE MONEY IS STABLE PRICES.
FALLING PRICES IS RISING MONEY.

By stability of the general price range, it is not meant that the prices of all products and commodoties shall remain the same—shall not change. No. The price of each and every commodity will still be determined by the law of supply and demand. Each one will go up or down in price with perfect freedom, without regard to other commodities, as demand and supply shall determine as to it alone. Undoubtedly, some would go up and some go down, but if the downs in price are about equal to the ups in price, on the average and over long periods of time, then its the general price range stable, and (which is the same thing) the value of money is stable.

THE VOLUME OF MONEY

Has nothing to do with placing one commodity below or above the other on the scale of prices, but (other things remaining the same), the supply of money determines what the general scale of prices shall be."—Francis A. Walker.

THE RIGHTS OF MAN
AND
THE RIGHTS OF MONEY.

By way of preface, I will call attention to a few facts.

FIRST: That the meaning and scope of the words "price" and "value" differ in this respect, namely:

That price, always means and is, value in money, solely; a price stated is always a certain amount of money.

The meaning of "value" is broader and general. The value of a thing is the other thing that it exchanges even for in the market, but when one side of the exchange is money, then the correct word to use is price, instead of value. Precision in statement as well as correct thinking requires that this distinction be observed.

SECOND: When prices in general on the average, have gone down, money has gone up in value—in purchasing power. This of course is a self-evident proposition to every man whose hat covers a thinker in working order. See paragraph 15, on page 18.

It is a fact (and is shown by the market reports) that prices in general have fallen about 50 per cent. since 1873-4. That means, of course, that money has doubled in purchasing power during that time.

THIRD: All agree that stable money is "best money," but I have shown you that stable money and stable prices are in the very nature of things one and the same identical fact. That the one necessarily implies and cannot be, without the other. When one changes the other changes. When prices are falling—going down—money is changing and going up; and when prices are going up, money is going down.

Prices cannot go up except as money goes down, and if you want prices to go up, all you have to do is to make money go down. How can you make money go down? When anything is scarce it is high, and when in plentiful supply it is cheaper and goes down.

It is exactly the same with money. Increase the supply of it and it will be cheaper—will go down and prices up. Hence the remedy is, MORE MONEY.

Low and falling prices of products is the very thing that caused these hard times, and is making them harder every day.

THE FALL OF PRICES.

There seems to be quite a general impression that a gradual and general fall in *prices* is in the interest of mankind in general, and is necessary to his progress in civilization—that is, that goods and products should become cheaper in price—in money value, and money dearer as to the same.

I have shown that this is a wrong, unjust and pernicious idea; that kind of cheapness is not benificient. It is falling prices that makes a wrong and unfair distribution of man's increased output, by giving to "dollar" what man has produced, and should have for himself.

THE ELEVATION AND EXPANSION OF THE INDIVUAL; IS THE END OF NATURE; THE AIM OF GOVERNMENT, AND THE GOAL OF CIVILIZATION.

Man is the creature of his environments, and progress in civilization cannot be had, except as the individual man is elevated and enlarged. To that end his surroundings and situation in life must be such as will enable him to improve his material and social conditions, and so attain to a higher scale of living and being, and become more like him in whose image he was created.

THE RIGHTS OF MAN.

In the beginning God created the heavens and earth. And God created man in his own image and gave him DOMINION over the fish of the sea, and over the fowls of the air, and over the cattle and over all the earth, and over every creeping thing that creepeth upon the earth.

Man then was made the "roof and crown" of the whole fabric of the world. It was with reference to him that all things were designed.

THE RIGHTS OF MONEY.

Now it came to pass in later days that man invented money for the purpose of facilitating exchanges of property, and in these latter days, by reason of his increased knowledge, greater skill and the aids of improved machinery and appliances, he has made rapid progress in subjugating to his control and use, forces and properties of nature to him hitherto unknown.

So that now by his day's work he produces, say, twice as much of all products as he did before; but to simplify the proposition for illustration, let us use the product *wheat* for the purpose of this discussion as representing, and standing for, all of the products of labor.

Now, the man who does not produce wheat, but has money and wants some wheat, insists that inasmuch as the producer produces twice as much wheat by each day's work, he should let "dollar" have it at one-half the former price.

It is suggested that if the producer should concede the point and let "dollar" have the wheat at one-half the former price, he would still have the same return for his day's work as before, and he would not be hurt. My friend, you very much mistake the question at issue. It is not how to protect the producer who has produced twice as much from being hurt. It is to protect him in his God-given right to have, what he has produced in the sweat of his face. The dollar that wants to buy the wheat at half price did not contribute in any way towards producing that increased output, and hence has no right to any share in it.

It "dollar" gets the wheat at the same price as before, he is not wronged, and gets all he is entitled to; but if dollar gets the wheat at half the former price, then "dollar" gets all the benefit

of the increased output of man's labor, while the laborer gets and remains the same as before. The dollar is enlarged and fattened at the expense of the laborer.

The dollar is elevated and expanded instead of the individual man. Under such a rule of distribution it is not possible for man to improve his material and social condition, and they are the controlling factors in civilization and progress.

CHEAPNESS.

Now, cheap money is one thing, and cheap labor and products is quite another and different thing. Cheap labor and products, is dear money as I have elsewhere shown. If prices fall in proportion to the increased efficiency and output of labor, then "dollar" gets all the benefit. As though the dollar rather than the man was the chief concern of the Creator, and that to fatten and increase the power of the dollar comprised the whole duty of man.

On the other hand, if the laborer,—the man, receives the same prices as before, then he is the one that is benefitted by the increased output of his labor. And that is right, everlastingly right.

In the one case the increase goes to the man who has the money, but who did nothing towards causing the increase. The other one gives it to him whose labor caused it.

CHEAP MEN AND WOMEN.

The one means cheap, stationary, non-progressing man, and the dear and dearer dollars. The other one means growing, progressing man and cheap and cheaper dollars—dollars not cheaper as to goods, (the general price-range remains the same) but cheaper as to man—cheaper as to the result and output of the man's day's work.

Then will man's day's work bring him more and more of the necessaries and luxuries of life, while the other man's dollar brings him the same as before, and that is right and fair all around.

Is man to be secondary, and "dollar" paramount, in the progress and development of this world of ours? If so, why were the money-changers scourged from the temple and their tables overturned? If so, why Calvary?

No. The general price-range should not fall. As the quantity of goods is increased,—as the volume of business to be done by money is increased, so should the quantity of money be increased, and so the general price-range and the value of money be maintained stable.

Then the dollar will not depreciate, but what is more to the point, neither will it appreciate, but will maintain its full purchasing and debt-paying power, and so be in fact, an honest dollar. Then as man extends his control over the forces and resourses of nature, and harnesses them to do his bidding—then will all of the benefits of man's labor accrue to man, and enable him to improve his material and social condition; to increase his knowledge and thereby his power, and so be better prepared and equipped for the world-wide "DOMINION" given him by his Creator.

Yet, sometimes glimpses on my sight,
Through present wrong, the eternal right:
And step by step, since time began,
I see the steady gain of man.

—*Whittier.*

WILLIAM JENNINGS BRYAN.

END OF
TITLE